

## Goals and Objectives:

The Milk Control Bureau regulates and controls the transfer of milk among producers and plants by enforcing Montana milk control laws and rules. The Bureau promotes public welfare and helps to maintain a stable market for milk within the State of Montana. The objectives of the Milk Control Bureau are to provide quality services to the milk industry by:

- Providing quality staff assistance to the Montana Milk Control Board which develops and implements an efficient and accurate producer pricing system in Montana.
  - ◆ The Class I, II & III milk prices are computed each month based on information supplied by the USDA. The initial base price for class I plus other factors such as butter, cheese, and non-fat dry milk prices are used to compute the butterfat and skim prices for all three classes. This information is distributed to all producers, processing plants and any other interested parties by the 5<sup>th</sup> of each month. From these prices, and based on how the processing plants utilize the milk from the producers, a blend price is computed for all quota milk used and for milk used over quota. The producers are paid for their milk based on these prices computed at an average of 3.5% butterfat. Each producer's blend price is adjusted up or down according to the butterfat content of his milk. A higher butterfat content will increase the blend price for that producer. This gives the producer incentive to have a better quality of milk.
- Designing and implementing an efficient audit process, utilizing advanced technology, to ensure accurate producer compensation.
  - ◆ To insure the accuracy of the monthly reports submitted by each processing plant as to their utilization of the milk produced in the state and to insure that the prices paid to the producers for their milk are correct, monthly audits are performed at each plant. All aspects of the processing plants activities are reviewed such as production reports, invoices, sales receipts, milk transfers between plants, components used in milk products, load sheets from the milk haulers, freight rates and butterfat test results. Any errors or discrepancies in reporting are adjusted on the next quarter's payroll computation or pooling reports.
- Distributing accurate and meaningful information to producers, processors, the public and other interested parties in milk industry of Montana.

- ◆ The Milk Control Bureau maintains a list of approximately 240 names of interested parties who are sent monthly price announcements, any announcements of board meeting dates, rule change announcements or hearings. We also send out specialized information such as a producer who wants a detailed printout of his payroll computation in order to track the butterfat content of his milk, or verification to the seller, buyer and the plant that a quota transfer has been approved.